

FINAL BILL REPORT

HB 1599

C 452 L 07

Synopsis as Enacted

Brief Description: Allowing raffles by executive branch state employees.

Sponsors: By Representatives Hunt, Williams, Conway, Ormsby, McDermott and Wood.

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background:

Gambling Act.

Washington's Gambling Act authorizes charitable and nonprofit organizations to conduct raffles to raise funds for the organizations' stated purposes. To qualify, the entity must be organized for one of the purposes specified in statute, including agricultural, charitable, educational, political, fraternal, or athletic purposes, and must meet other requirements.

A raffle may be conducted as a licensed or unlicensed raffle. Two types of raffles do not require a license:

- (1) "*Members only*" raffles must be held exclusively among the organization's members and the combined gross revenue from raffles may not exceed \$5,000 per year.
- (2) "*Public*" raffles may be held twice a year and the combined gross revenues from all gambling events (other events are permitted) must not exceed \$5,000.

Other requirements must also be met to qualify as an unlicensed raffle and additional requirements apply to all raffles, such as a maximum ticket price of \$25 and a prohibition on free tickets.

A credit union is considered a nonprofit organization for purposes of a "members only" unlicensed raffle.

Ethics Act.

The State Ethics in Public Service Act (Ethics Act) prohibits employees and officers of state agencies from engaging in any activity that conflicts with the proper discharge of official duties or using public resources, including state-compensated time and state-owned facilities, for private gain. The Executive Ethics Board (EEB) administers the Ethics Act as applied to higher education and the executive branch.

The EEB rules allow state employees to engage in limited personal use of state resources. According to an EEB advisory opinion, however, the limited use exception does not apply to gambling. The EEB reasoned that gambling activity undermines public confidence in state government.

The Ethics Act also limits solicitation and acceptance of gifts and donations. State employees may not accept or solicit anything of economic value if someone might reasonably expect that the donation or gift would either influence or reward the employee. The law exempts solicitations for donations for various reasons, including providing for historic furnishings in the Capitol and the expansion of tourism.

Summary:

Gambling Act.

Raffles conducted by executive branch state employees under certain conditions are permitted as unlicensed, "member-only" raffles under the Gambling Act.

A group of executive branch state employees is considered a nonprofit organization for purposes of conducting a raffle when:

- (1) the employees have received revocable approval from the agency's chief executive official or designee to conduct one or more raffles;
- (2) the raffle is conducted solely to raise funds for:
 - the combined fund drive;
 - an entity approved to receive funds under the combined fund drive; or
 - a charitable or benevolent entity, including but not limited to a person or family in need, as determined by a majority vote of the group of employees;
- (3) the employees promptly provide such information about the group's receipts, expenditures, and other activities as the agency requires; and
- (4) tickets are sold only to and winners determined only from the employees of the agency.

The raffle must comply with the requirements for "member only" unlicensed raffles.

Ethics Act.

State officers and employees may solicit donations, gifts, and grants to support authorized raffles. The donations, gifts, and grants may only be solicited from state employees or businesses and organizations that have no business dealings with the employee's agency. "Business dealings" includes being subject to regulation by or having a contractual relationship with the agency and purchasing goods or services from the agency.

Votes on Final Passage:

House	94	0	
Senate	44	3	(Senate amended)
House	93	0	(House concurred)

Effective: July 22, 2007